

The Aboriginal labour force in Western Canada

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As Canada's labour market tightens, employers are scouring many sources in their search for skilled workers. One such source is the Aboriginal population. By the end of 2017, Aboriginal people of working age (15 and older) will number close to a million—about 3.4% of the working-age population overall (Statistics Canada 2005). With anticipated shortages in many areas of the labour force, this growing population may constitute an important pool of labour.

Aboriginal people have a much younger average age than other Canadians and their educational attainment is generally lower. Geographically, they are concentrated in remote areas (some reserves and in the North) and in a few urban centres (mostly Western Canadian cities). They are also less likely to be self-employed. All these factors play a major role in their labour market experiences and are critical to understanding both the challenges and opportunities for their future employment growth.

Over the coming years, the proportion of Aboriginal people in the young adult population (aged 20 to 29) is projected to grow significantly—more than for the same age group overall. Certain provinces will be particularly affected. For example, in Saskatchewan, the proportion of Aboriginal people in their 20s is expected to almost double—from 17% of the Aboriginal population in 2001 to 30% in 2017. Similarly, the proportion in Manitoba, also 17% in 2001, is projected to grow to 23%. These young people offer an enormous potential for increasing Aboriginal people's participation in the labour market, especially in

these provinces (Consulbec 2002). The degree to which such provinces can integrate these young people into the labour force will become increasingly important.

How do Aboriginal and non-Aboriginal people compare in terms of employment, occupational distribution, and skill levels. Are gaps between the two closing? Are some segments of the Aboriginal population faring better than others? What is the relationship between educational attainment and labour market success? This article uses the 2005 Labour Force Survey (LFS) to compare characteristics of the off-reserve Aboriginal and the non-Aboriginal populations in the Western Canada labour force. Using the 2001 Census, the labour force situation of the entire Aboriginal population is also presented in an appendix. Where possible, comparisons will be made between the two sources (see *Data sources and definitions*).

Aboriginal unemployment higher in 2001

In 2001, Aboriginal people made up about 2.7% of Canada's working-age population and about 2.5% of its labour force (see *Appendix*). Of the roughly 652,000 Aboriginal people aged 15 or over, 61% lived in Western Canada. Nationally, they had lower participation and employment rates (60.6% and 49.7% respectively) than non-Aboriginals (66.1% and 61.8%), and a much higher unemployment rate (18.0% versus 6.5%).

Aboriginal labour market performance varied considerably from one region of the country to another. Provinces with the highest percentage of Aboriginal people—Manitoba and Saskatchewan—had Aboriginal unemployment rates of about 18% and 22% respectively. This was more than four times the unemployment rate of the non-Aboriginal population in both these provinces. Aboriginal unemployment rates were also high in the Atlantic provinces (where the proportion of Aboriginal people is lower), ranging from 20% in Nova Scotia to 32% in Newfoundland and Labrador.

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Manitoba and British Columbia led Aboriginal job growth

How have Aboriginal people been faring since 2001? The only source of labour market information on Aboriginal people since the 2001 Census is the Labour Force Survey, which covers only those living off-reserve in Western Canada. This segment is the focus of the rest of the article.¹

Aboriginal people form a significant part of the labour force in Western Canada where the economy, particularly in Alberta and British Columbia, has enjoyed renewed growth in recent years.² This growth was driven by mining and construction in Alberta and by construction, real estate and transportation in British Columbia (White, Michalowski and Cross 2006). Aboriginal employment grew 23% between 2001 and 2005 compared with only 11% for non-Aboriginals.

Over the same period, the Aboriginal unemployment rate dropped 3 percentage points while their participation rate rose—particularly among women (Table 1). Although the unemployment gap narrowed, the Aboriginal unemployment rate still remained more than double that of the non-Aboriginal population in 2005.

With its abundance of natural resources, Alberta has led job growth in the West.³ Not surprisingly then, Aboriginal people in Alberta had the highest labour force participation (70.0%) and employment rates (64.1%) and the lowest unemployment rate (8.5%) among the Western provinces. Alberta's economic prosperity benefited everyone as evidenced by its overall unemployment rate of only 3.9% in 2005.

Aboriginal people in Manitoba and British Columbia saw the highest growth in employment between 2001 and 2005 (Chart A). Manitoba's growth rate was 30%,

Aboriginals in cities faring better

Although the largest CMAs offer more varied opportunities for employment, some are still struggling with high rates of unemployment within their Aboriginal population. In 2001, the highest percentage shares of working-age Aboriginal people were found in Saskatoon (7.5%), Winnipeg (7.4%) and Regina (6.5%). In absolute terms, Winnipeg had the largest number of Aboriginal people (35,800) of all the CMAs, followed by Edmonton (26,500). In 2001, Aboriginal people in Saskatoon and Regina had the lowest par-

ticipation rates and highest unemployment rates among the Western CMAs. In 2005, Regina still had the lowest participation and the highest unemployment rates among Aboriginal people. The gap in labour market outcomes between Aboriginal and non-Aboriginal people varies greatly by city, even within the same province. In 2005, Vancouver and Calgary had the highest labour force participation rates, even surpassing non-Aboriginals. Calgary had the lowest unemployment rate, followed by Victoria.

	Winnipeg	Saskatoon	Regina	Edmonton	Victoria	Calgary	Vancouver
2001							
Non-Aboriginal							
Participation rate	68.6	70.1	70.8	71.9	63.8	74.8	65.8
Employment rate	65.5	66.6	67.6	68.6	60.2	71.5	61.5
Unemployment rate	4.5	4.9	4.6	4.5	5.6	4.3	6.5
Aboriginal							
Participation rate	63.5	56.8	56.8	65.9	62.1	74.7	62.3
Employment rate	55.1	45.3	46.3	57.4	53.4	67.7	53.5
Unemployment rate	13.2	20.2	18.5	12.1	13.9	9.4	14.0
2005							
Non-Aboriginal							
Participation rate	69.8	71.7	72.0	70.5	64.8	73.7	67.1
Employment rate	66.7	68.4	69.0	67.5	62.0	70.8	63.4
Unemployment rate	4.4	4.5	4.2	4.3	4.3	3.9	5.6
Aboriginal							
Participation rate	63.8	62.4	59.9	66.0	63.6	75.1	70.9
Employment rate	57.5	54.3	50.6	58.7	58.1	70.8	60.4
Unemployment rate	9.8	12.9	15.5	11.1	8.6	5.7	14.8

Sources: Statistics Canada, Census of Population, 2001; Labour Force Survey, 2005

five times the non-Aboriginal rate. Although British Columbia's Aboriginal participation rate (66%) was lower than Alberta's, it was up from 2001. By contrast, Saskatchewan continued to have the lowest Aboriginal employment rate (52%), despite a small increase since 2001. In addition, Saskatchewan had the largest employment rate gap in 2005 (14 percentage points compared with 7 for all of Western Canada).

Employment rate gap narrows

The Aboriginal employment rate was 58% in 2005, up from 54% in 2001. Because the rate increased less than 1 percentage point among non-Aboriginals while increasing strongly among Aboriginal people, the gap between the two groups narrowed, particularly for women (Chart B).

Labour force participation rates among men appear to be stabilizing for both populations. The gap, however, decreased slightly for men and much more for women. With rising employment, unemployment rates declined for both Aboriginal men and women in 2005.

Aboriginal education levels improving

The large gap in educational attainment between Aboriginal and non-Aboriginal people has been well-documented. Although Aboriginal people living off-reserve are generally better educated than their on-reserve counterparts, they still lag behind non-Aboriginals.

Western Canadians are increasingly likely to have university degrees—18% in 2005 versus 15% in 2001. During the same short period, Aboriginal people living off-

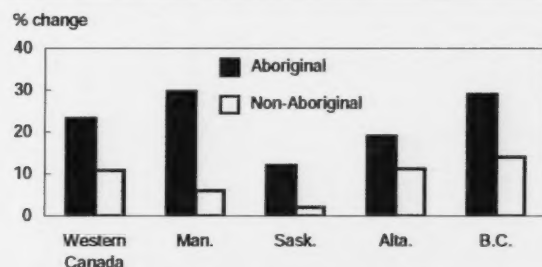
Table 1 The off-reserve Aboriginal labour force in Western Canada

	2001		2005	
	Aboriginal	Non-Aboriginal	Aboriginal	Non-Aboriginal
	'000			
Population 15 and over	281	6,690	324	7,317
Labour force	181	4,575	215	5,025
Employment	153	4,320	189	4,790
Unemployment	28	255	26	235
Both sexes	%			
Aboriginal labour force	3.8	...	4.1	...
Employment rate	54.4	64.5	58.3	65.5
Unemployment rate	15.5	5.6	12.1	4.7
Participation rate	64.4	68.4	66.4	68.7
Men				
Aboriginal labour force	3.7	...	3.8	...
Employment rate	59.3	70.2	63.0	71.0
Unemployment rate	17.0	6.3	12.5	4.7
Participation rate	71.5	74.5	72.0	74.5
Women				
Aboriginal labour force	4.0	...	4.5	...
Employment rate	50.2	59.2	54.4	60.0
Unemployment rate	13.9	6.0	11.7	4.6
Participation rate	58.4	62.5	61.6	62.9
Manitoba				
Aboriginal labour force	7.3	...	8.5	...
Employment rate	55.2	65.2	59.2	65.9
Unemployment rate	14.2	4.2	10.1	4.3
Participation rate	64.4	68.1	65.8	68.9
Saskatchewan				
Aboriginal labour force	6.1	...	6.6	...
Employment rate	48.9	66.0	51.7	65.6
Unemployment rate	17.5	4.2	16.2	4.3
Participation rate	59.3	68.9	61.7	68.6
Alberta				
Aboriginal labour force	3.3	...	3.4	...
Employment rate	60.6	70.0	64.1	70.0
Unemployment rate	11.6	4.3	8.5	3.8
Participation rate	68.6	73.1	70.0	72.8
British Columbia				
Aboriginal labour force	2.7	...	3.0	...
Employment rate	51.4	60.1	56.1	62.0
Unemployment rate	19.1	7.4	15.0	5.6
Participation rate	63.5	64.9	66.0	65.6

Sources: Statistics Canada, Census of Population, 2001; Labour Force Survey, 2005

reserve have shown tremendous growth in university education attainment—60% more Aboriginal people now have university degrees (from 5% of all Aboriginal people in 2001 to 7% in 2005).⁴ Consequently, the proportion of Aboriginal people with less than high school education also dropped, from 45% to 37% (Chart C). The proportion with a postsecondary certificate or diploma also dropped slightly for both Aboriginal and non-Aboriginal people.

Chart A Employment growth of working-age Aboriginals and non-Aboriginals, 2001 to 2005



Sources: Statistics Canada, Census of Population, 2001; Labour Force Survey, 2005

High school non-completion rates for Aboriginal youth have been a major concern. A high school diploma is generally considered a minimum requirement for most jobs in today's economy. Since 1981, the gap in educational attainment between Aboriginal and non-Aboriginal people has narrowed. Between 2001 and 2005, the proportion of 20-to-24 year-old Aboriginal youth in Western Canada who had not finished high school dropped from 41% to 31% (Chart D). The share of non-Aboriginal youth without high school completion also decreased. The gap between the two youth populations continues to be high at 21

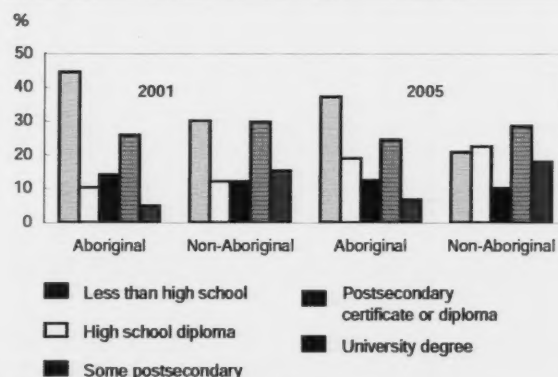
Chart B Western Canada labour force gaps



Note: Gaps refer to the difference between the percentage of Aboriginal and non-Aboriginal people.

Sources: Statistics Canada, Census of Population, 2001; Labour Force Survey, 2005

Chart C Education level distribution for Western Canada off-reserve Aboriginals and non-Aboriginals

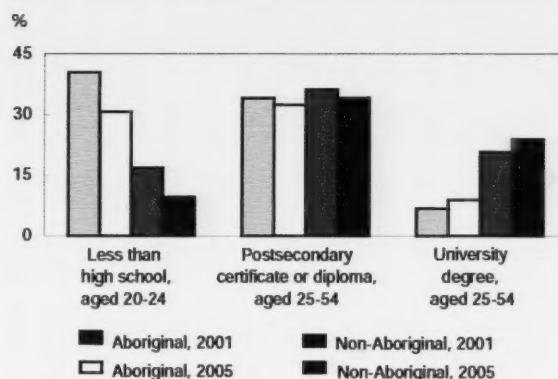


Note: Excludes full-time students.

Sources: Statistics Canada, Census of Population, 2001; Labour Force Survey, 2005

percentage points (24 points in 2001). On the other hand, among persons aged 25 to 54, the proportions with a postsecondary certificate or diploma were very similar for both Aboriginal and non-Aboriginal people.

Chart D Educational attainment gap in Western Canada continues to narrow



Sources: Statistics Canada, Census of Population, 2001; Labour Force Survey, 2005

Postsecondary education beneficial

The likelihood of employment increases and the likelihood of unemployment decreases significantly with more education. This pattern can be illustrated with the off-reserve labour force data for Western Canada (Table 2). Among the least educated (no high school diploma), employment rates were very low in 2005 for both Aboriginal and non-Aboriginal populations (36% and 41% respectively). Among the very well-educated (university degree), Aboriginal employment rates surpassed those of the non-Aboriginal population in 2005—84% compared with 77%.⁵

The effect of postsecondary education on employment is particularly strong for Aboriginal women. With a university education, they had an employment rate 11 percentage points higher than non-Aboriginal women. For men, the difference was only 4 points. On the other hand, among those who did not complete postsecondary education, the gap was in the opposite direction for both women (-11 points) and men (-6 points), indicating the importance of educational credentials for Aboriginal workers. (Ciceri and Scott 2006 found a similar pattern.)

Occupational distribution static

Even though off-reserve Aboriginal people in Western Canada had higher labour force participation and employment rates, and lower unemployment rates in 2005 than in 2001, their occupational profile changed very little (Table 3). Overall, the top three occupations in both years were sales and service (mainly retail sales clerks and cash-

Table 2 Western Canada education levels, 2005

	Employment rate	Unemployment rate	Employment gap ¹	
			2005	2001
Both sexes		%	% point	
Aboriginal				
Less than high school	36.3	21.2	-5.1	-7.0
High school diploma	70.2	9.3	1.8	-2.5
Some postsecondary	57.5	13.6	-8.5	-10.7
Postsecondary certificate or diploma	76.0	8.2	2.4	-2.4
University degree	84.1	3.9	7.6	-2.2
Non-Aboriginal				
Less than high school	41.4	8.6		
High school diploma	68.4	4.8		
Some postsecondary	66.0	5.2		
Postsecondary certificate or diploma	73.6	3.5		
University degree	76.5	3.5		
Men				
Aboriginal				
Less than high school	43.2	20.4	-6.9	-14.8
High school diploma	75.4	9.7	-0.6	-9.2
Some postsecondary	63.8	10.7 ^E	-5.7	-9.8
Postsecondary certificate or diploma	80.7	9.5	2.0	-2.5
University degree	82.3	F	3.8	2.1
Non-Aboriginal				
Less than high school	50.1	8.0		
High school diploma	76.0	5.0		
Some postsecondary	69.5	5.5		
Postsecondary certificate or diploma	78.7	3.4		
University degree	78.5	3.5		
Women				
Aboriginal				
Less than high school	30.0	22.1	-2.4	-9.1
High school diploma	65.5	9.0	4.2	-5.4
Some postsecondary	52.1	16.4	-10.5	-10.4
Postsecondary certificate or diploma	72.4	7.1	3.9	-1.5
University degree	85.2	F	10.8	3.1
Non-Aboriginal				
Less than high school	32.4	9.4		
High school diploma	61.3	4.6		
Some postsecondary	62.6	4.7		
Postsecondary certificate or diploma	68.5	3.7		
University degree	74.4	3.5		

1 Difference between Aboriginal and non-Aboriginal employment rates.

Sources: Statistics Canada, Census of Population, 2001; Labour Force Survey, 2005

iers, food and beverage occupations, protective service, and child care and home support); trades, transport and equipment operators (mainly mechanics, contractors, construction trade workers, and transportation

Table 3 Western Canada labour force by occupation

Occupation	2001		2005	
	Aboriginal	Non-Aboriginal	Aboriginal	Non-Aboriginal
	173	4,519	206	4,953
			'000	
			%	
Sales and service	29.6	24.1	30.5	24.9
Trades, transport and equipment operators	20.1	15.1	19.7	16.1
Business, finance and administration	14.2	17.4	15.0	17.6
Social science, education, government and religion	8.4	7.5	8.6	7.7
Unique to primary industry	7.1	6.7	5.6	5.7
Management	6.1	10.4	5.3	8.5
Unique to processing, manufacturing and utilities	6.0	4.5	5.3	4.5
Health	3.6	5.4	4.4	5.8
Natural and applied sciences	2.9	6.2	3.4	6.5
Art, culture, recreation and sport	2.0	2.7	2.2 ^E	2.9

Note: Off-reserve Aboriginal people only.

Sources: Statistics Canada, Census of Population, 2001; Labour Force Survey, 2005

equipment operators); and business, finance and administration (mainly clerical workers, and administrative and regulatory workers). These three accounted for almost two-thirds of the off-reserve Aboriginal labour force in Western Canada.

On the surface, the non-Aboriginal labour force showed a similar pattern, with the top three occupations being the same and representing just under 60% of the total. However, non-Aboriginals exhibited some differences within these categories. For example, within sales and service occupations, a larger proportion were wholesale, technical, insurance and real estate sales specialists. Similarly, within the business, finance and administration group, they held a greater share of the professional occupations in business and finance.

Most of the growth in the off-reserve Aboriginal labour force over the period was dominated by

the three largest occupational sectors: sales and service (35%); business, finance and administration (19%); and trades, transport and equipment operators (18%). Non-Aboriginal job growth showed a similar pattern, with the same three being the top contributors to growth. A notable difference, however, was that management occupations, an area with relatively few Aboriginal workers, lost 53,000 jobs.

Aboriginal youth in the labour force

In 2005, almost one-quarter of the Aboriginal labour force in Western Canada was aged 15 to 24 (10% aged 15 to 19, and 13% 20 to 24). This compares with only 16% among the non-Aboriginal labour force (7% 15 to 19, and 10% 20 to 24).

While participation rates for non-Aboriginals aged 20 to 24 fell between 2001 and 2005, they

increased for their Aboriginal counterparts, likely as a result of higher education levels (Table 4). In particular, more Aboriginal men 20 to 24 had completed high school than ever before, narrowing the employment and labour force participation gap between the two groups. In fact, the 2005 participation rate for Aboriginal men (82%) was slightly higher than for non-Aboriginal men (81%). In contrast, Aboriginal women in this age group continued to have a much lower labour force participation rate (65% versus 77%)—partly because young Aboriginal women are more likely to be out of the labour force for personal or family reasons.

Aboriginal youth (particularly those 15 to 19) were found mainly in sales and service jobs (cashiers, food service, retail sales, cooks, and food and beverage servers).⁶ This was followed by trades, transport and equipment operators and related occupations (construction trades helpers, labourers and handlers, truck and delivery drivers) and business, finance and administrative occupations (customer service clerks, tellers, receptionists, shippers and receivers), both of which were led by the 20-to-24 segment. The occupational pattern for young non-Aboriginals was similar, except for a higher concentration in business, finance and administration.

Skilled Aboriginal trades workers in high demand

Disparity in educational attainment implies that the skill level (see *Data source and definitions*) of jobs held by Aboriginal people tends to be considerably lower than for non-Aboriginal people (Table 5). Fewer Aboriginal workers have a university degree, so many professions

Data sources and definitions

The **Labour Force Survey (LFS)** collects monthly information on labour market activity from the civilian, non-institutionalized population 15 years of age and over. Residents of the territories are surveyed but the data are excluded from the national total. Persons living on Indian reserves are also excluded. The survey consists of a rotating panel sample of approximately 54,000 households, with each household remaining in the sample for six consecutive months. The LFS divides the working-age population into three mutually exclusive classifications: employed, unemployed, and not in the labour force. For a full listing and description of LFS variables, see *Guide to the Labour Force Survey* (Statistics Canada catalogue no. 71-543-GIE).

Aboriginal identity

One of the greatest challenges is measuring the Aboriginal population. The 2001 Census identifies Aboriginal people in several ways:

- self-identification as an Aboriginal person (North American Indian, Métis or Inuit)
- Aboriginal ancestry—persons who reported at least one Aboriginal origin in the census question on ethnic origin.
- member of an Indian Band or First Nation (self-reported)
- Registered or Treaty Indian—persons who reported being registered under the *Indian Act* of Canada. Treaty Indians are registered under the *Indian Act* and can prove descent from a Band that signed a treaty.

In 1991 and previous censuses, Aboriginal persons were identified using the ethnic origin (ancestry) question. Beginning in August 2002, the LFS added two questions to allow Aboriginal people in Alberta living off-reserve to identify themselves. In April 2004, the questions were extended to British Columbia, Saskatchewan and Manitoba. The first question asked if the respondent was an Aboriginal person—that is, North American Indian, Métis or Inuit. If yes, a second question asked specifically to which group they belonged. Because of historical changes in the census to the ethnic origin and Aboriginal identity questions, this article focuses on the 2001 Census Aboriginal identity question, which is the same as in the 2005 Labour Force Survey. Self-identification is now used more often to define affiliation with an Aboriginal group (Guimond 2003).

may not be accessible to them. Indeed, they are under-represented in occupations normally requiring a university education and over-represented in occupations requiring a high school diploma or less. Disparity has widened among the latter group since 2001.

Although Aboriginal numbers are increasing at universities, most of those taking postsecondary education do so at the college or trade level. According to the National Graduates Survey, Aboriginal people accounted for 17% of Manitoba's college-level gradu-

Labour force: Persons 15 years of age and over who were employed or unemployed during the survey reference week.

Participation rate: Labour force expressed as a percentage of the population. The participation rate for a particular group is the labour force in that group expressed as a percentage of the population for that group.

Employment rate: The percentage of the population employed.

Occupational classification and skill level: The National Occupational Classification comprises more than 500 occupations. The Essential Skills Research Project, carried out by Human Resources and Skills Development Canada, estimated the skill level of each occupation. The assigned code reflects both the education level usually required in the labour market and some criteria covering experience, specific training, and responsibility related to health and safety (as in the case of police officers and nurses). The skill levels are university degree; a college diploma or certificate, or apprenticeship training; no more than a high school diploma.

Managers are treated separately, given the diversity of their experience and education. The skill levels attributed to occupations date from the early 1990s, so levels for some occupations may differ slightly in 2001 or 2005. For example, occupations requiring a college diploma or certificate in 1991 may have required a university degree in 2001 or 2005. Similarly, occupations previously requiring high school graduation may now require a college diploma.

Differences between the census and the Labour Force Survey

In the census, the labour force refers to persons aged 15 and over who were either employed or unemployed during the week prior to Census Day (May 15, 2001). In the LFS, information is collected for the week containing the 15th day of the month.

Both the census and the LFS use the National Occupational Classification for Statistics 2001 coding system. However, the census is a self-completed survey whereas the LFS is conducted using trained interviewers who understand the occupational descriptions and can probe for further information. For more information, see Statistics Canada (2002).

ates in 2000, but only 9% at the bachelor's level (Vaillancourt 2005). The proportion of graduates at the college level roughly reflected the proportion of Aboriginal people in the general Manitoban population, while they were under-represented at the bachelor's level. Aboriginal graduates also tended to choose different fields of study—health, parks, recreation and fitness—while their non-Aboriginal counterparts tended to choose engineering technologies. This survey also found that Aboriginal college graduates were

Table 4 Western Canada, 20 to 24 year-olds

	2001		2005	
	Aborig- inal	Non- Aboriginal	Aborig- inal	Non- Aboriginal
	'000			
Population	34	543	39	652
Labour force	24	448	28	517
Employment	19	401	24	483
Unemployment	5	47	4	34
	%			
Both sexes				
Participation rate	68.7	80.1	72.8	79.3
Employment rate	56.2	73.6	62.2	74.1
Unemployment rate	18.2	6.2	14.5	6.6
Men				
Participation rate	79.2	82.4	82.2	81.4
Employment rate	63.8	75.0	69.0	75.3
Unemployment rate	19.5	9.1	16.1 ^E	7.5
Women				
Participation rate	59.8	77.7	64.5	77.2
Employment rate	49.7	72.1	56.3	72.8
Unemployment rate	16.8	7.1	F	5.7
Education				
Both sexes				
Less than high school	40.4	16.9	28.5	9.7
High school diploma	17.0	16.1	30.6	31.6
Men				
Less than high school	43.2	19.6	25.9	11.7
High school diploma	18.7	18.4	35.2	33.6
Women				
Less than high school	38.1	13.9	30.8	7.7
High school diploma	15.6	13.8	26.6	29.6

Note: Off-reserve Aboriginal people only.

Sources: Statistics Canada, Census of Population, 2001; Labour Force Survey, 2005

employment growth in Canada between 1991 and 2001, much of Western Canada's job growth in subsequent years has been in occupations normally requiring a college diploma or certificate, or apprenticeship training. Western Canada added 283,000 such jobs between 2001 and 2005, accounting for just over 60% of job growth. Aboriginal people accounted for about 15,000 of these positions—46% of their total job growth during these years. Indeed, about one-third of both Aboriginal and non-Aboriginal people in 2005 were in jobs requiring college education or apprenticeship training. This category includes police officers, firefighters, trade professions, as well as registered nursing assistants.

In Alberta, the need for skilled workers is so critical that the provincial government is promoting the trades, particularly among Aboriginal youth (Jacobs 2006). According to the Alberta government, some 1,100 Aboriginal people (on- and off-reserve) were apprentices in 2006, up dramatically from 200 four years ago. The

less likely to be employed (80% had a job two years later compared with 90% of non-Aboriginal college graduates), and that compared with counterparts outside Manitoba, their earnings were lower. Aboriginal graduates also tended to be less likely to enter their program directly from secondary school. Accordingly, they tended to be older and, at the bachelor's level, less likely to be single and more likely to have children.

Although occupations normally requiring a university education accounted for almost half of total

Table 5 Western Canada jobs by skill level

	2001		2005	
	Aborig- inal	Non- Aboriginal	Aborig- inal	Non- Aboriginal
	'000			
Total	173	4,519	206	4,953
Managerial level	11	472	11	419
University degree	15	678	21	796
College diploma or certificate or apprenticeship	53	1,437	68	1,705
High school diploma or less	95	1,932	106	2,034

Note: For a discussion of skill levels, see *Data source and definitions*.

Sources: Statistics Canada, Census of Population, 2001; Labour Force Survey, 2005

Construction Sector Council and the Aboriginal Human Resource Development Council of Canada are also forecasting shortages. Since more than 62,000 construction workers across Canada are expected to retire within the next 10 years, the shortage could represent a major opportunity for Aboriginal youth, irrespective of where they live.

Summary

Historically, Aboriginal people have not fared well in the labour market as lower educational attainment has channelled them into less skilled jobs. They also have higher unemployment rates. Labour force indicators from 2001 show that living in more remote locations has been a factor—Aboriginal people living on reserves had an unemployment rate of 27% in 2001, nearly four times that of Canada as a whole.

The good news is that Aboriginal people are starting to benefit from the increasingly tighter labour market conditions, particularly in Alberta and British Columbia. In fact, labour-force participation rates for Aboriginal people living off-reserve surpassed those of the non-Aboriginal population in both Calgary and Vancouver in 2005. Employment among Aboriginal people in the West rose 23% between 2001 and 2005, versus only 11% among non-Aboriginals. In addition, their unemployment rate dropped 3 percentage points, the improvement in education levels likely being an important factor. In fact, while only 7% of working-age Aboriginal people had a university degree, those that did were even more likely than non-Aboriginals to hold a job in 2005 (84% versus 77%).

The proportion of Aboriginal people living off-reserve in Western Canada who work in occupations requiring college, trade or apprenticeship training (such as trades and construction) has grown over the last few years. Such skills, particularly in the primary industries, can be easily applied anywhere in Canada, and as such may be one of the keys to employment mobility, particularly for more remote areas. With on-reserve populations expected to increase and housing shortages forecast, the establishment of trade education programs in these locations could be particularly relevant. Nevertheless, in 2005, one-third of the Aboriginal labour force in Western Canada was employed in occupations requiring only a high school education.

The evidence concerning Aboriginal people's labour market outcomes in Western Canada shows that progress is being made. Nevertheless, substantial gaps remain between the Aboriginal and non-Aboriginal populations. For example, young Aboriginal women (20 to 24) who live off-reserve continue to have lower rates of labour force participation and high school completion than their non-Aboriginal counterparts. Secondly, the employment gap remains high in cities such as Regina and Saskatoon, which are home to a large portion of the Aboriginal population. In spite of these challenges, current trends seem to signal improvement in the labour market performance of Aboriginal people.

Perspectives

APPENDIX

Table A1 Aboriginal population 15 and older

In 2001, the majority of the Aboriginal population lived in Western Canada (61%) while 20% lived in Ontario.

Provincially, Manitoba had the largest share of Aboriginal people (11%); Nunavut led the territories (80%).

Yukon had the largest share of North American Indians (85%); not surprisingly, Nunavut had the highest percentage of Inuit.

Alberta had the largest share of Métis (45%).

	Total population ¹	Aboriginal identity
		'000
Canada	23,901	652
Atlantic	1,847	38
Newfoundland and Labrador	419	14
Prince Edward Island	107	1
Nova Scotia	732	12
New Brunswick	589	12
Quebec	5,832	56
Ontario	9,048	133
Western Canada	7,107	395
Manitoba	869	96
Saskatchewan	756	79
Alberta	2,322	103
British Columbia	3,160	118
Northwest Territories	27	12
Yukon	22	5
Nunavut	17	13

¹ Includes the Aboriginal groups (North American Indian, Métis and Inuit) and multiple Aboriginal responses.

Source: Statistics Canada, Census of Population, 2001

Table A2 Area of residence

Twenty-eight percent of Aboriginal people lived on reserves in 2001.

	On reserve	Off-reserve	
		Rural	Urban
		%	
Age 15 and over	27.8	20.3	52.0
15 to 24	29.3	18.9	51.8
25 to 54	26.5	19.9	53.6
55 and over	30.5	24.1	45.5

Source: Statistics Canada, Census of Population, 2001

Table A3 Population by age

The Aboriginal age distribution is considerably younger than the non-Aboriginal.

Thirteen percent of the non-Aboriginal population was 65 and over compared with only 4% of the Aboriginal population.

In contrast, one-third of the Aboriginal population was under 15 compared with only one-fifth of the non-Aboriginal population.

	Aboriginal	Non-Aboriginal
		'000
All ages	976	28,663
0 to 4	103	1,599
5 to 9	113	1,868
10 to 14	108	1,947
15 to 19	93	1,951
20 to 24	76	1,868
25 to 34	149	3,825
35 to 44	146	4,928
45 to 54	96	4,297
55 to 64	53	2,795
65 and over	40	3,585

Source: Statistics Canada, Census of Population, 2001

Table A4 Top 10 Aboriginal occupations

The most common occupational category for Aboriginal men in 2001 was construction trades—7.4% compared with only 4.1% of non-Aboriginal men. Such jobs include plumbers, carpenters, painters, and shinglers. Just under one-third of Aboriginal men in these occupations lived on-reserve and were younger (37) than their non-Aboriginal counterparts (40).

The most common occupations for Aboriginal men on-reserve in 2001 were in the forestry, mining, fishing, and oil and gas extraction industries. Such jobs include logging machinery operators, oil and gas drillers, and trappers and hunters.

The most common occupations among Aboriginal women in 2001 were clerical, which include general office clerks, data entry clerks, library clerks, letter carriers, and bank and financial clerks. Although 13.4% of Aboriginal women were found in these occupations, slightly more non-Aboriginal women had jobs in this area (14.7%).

The most common occupations among Aboriginal women living on-reserve in 2001 were in child care and home support. Aboriginal women on-reserve were also highly likely to be secondary or elementary teachers or counsellors.

	Aboriginal		Non-Aboriginal	
	Average age	%	Average age	%
Men	36	100.0	40	100.0
Construction trades	37	7.4	40	4.1
Trades helpers, construction and transportation labourers and related	33	6.9	36	3.5
Motor vehicle and transit drivers	40	6.4	42	5.2
Forestry, mining, oil and gas extraction and fishing, excluding labourers	37	5.7	40	1.4
Cleaners	37	4.6	40	2.7
Other sales and service occupations	24	3.9	27	3.3
Protective services	36	3.7	39	2.4
Mechanics	38	3.6	40	2.6
Primary production labourers	32	3.5	33	1.3
Clerical occupations	34	3.4	37	4.9
Women	36	100.0	39	100.0
Clerical occupations	35	13.4	39	14.7
Salespersons and cashiers	30	7.6	32	8.2
Paralegals, social service workers and occupations in education and religion	36	6.5	37	3.4
Childcare and home support	37	6.2	40	3.3
Cleaners	39	6.0	42	2.6
Other sales and service occupations	30	5.3	32	4.3
Secretaries	37	4.0	43	5.0
Food and beverage service	28	3.9	29	2.9
Secondary and elementary school teachers and educational counsellors	40	3.8	42	4.1
Assisting occupations in support of health services	39	2.8	39	2.5

Source: Statistics Canada, Census of Population, 2001

Research has shown that many people on reserves would prefer to have a job close to home rather than a better job somewhere else (EKOS 2004). Although Aboriginal youth were more likely to prefer the best job available, those aged 25 to 44 had the greatest preference for staying close to home, as did those who had a college level education. Indeed, the emotional support of family was considered an important factor in the choice of employment, a sentiment that increased with age and education.

Table A5 Top 10 occupations, 15 to 24 year-olds

The most common occupations for Aboriginal youth were in sales and service, accounting for almost 1 in 4 jobs held by this group. Other common jobs were clerical, trades and cleaners. Non-Aboriginal youth showed a similar pattern.

Among Aboriginal youth on-reserve, jobs in child care and home support as well as education and social services were also prominent.

Sales and service jobs were common among Aboriginal youth of both sexes. Trades, labourer, and primary industry-related occupations were more common among young men, with the latter being particularly important for those on-reserve. Clerical, child care and home support, education and social service, and secretarial jobs were more popular among young Aboriginal women, with the latter three areas being relatively more plentiful among those on-reserve.

	Aboriginal	Non-Aboriginal
	%	
Both sexes	100.0	100.0
Other sales and service	13.0	13.0
Salespersons and cashiers	11.1	15.5
Clerical occupations	8.0	10.4
Trades helpers, construction and transportation labourers and related	5.6	3.5
Food and beverage service	5.5	5.3
Cleaners	4.7	2.9
Primary production labourers	3.9	2.2
Childcare and home support	3.5	1.9
Paralegals, social service workers and occupations in education and religion	3.4	1.8
Chefs and cooks	3.1	2.8
Men	100.0	100.0
Other sales and service	12.9	14.4
Trades helpers, construction and transportation labourers and related	9.6	6.3
Primary production labourers	6.3	3.5
Salespersons and cashiers	5.0	9.0
Construction trades	5.0	3.0
Cleaners	4.8	3.7
Clerical occupations	4.7	7.5
Labourers in manufacturing and utilities	4.4	3.6
Forestry, mining, oil and gas extraction and fishing, excluding labourers	4.4	1.0
Chefs and cooks	3.8	3.9
Women	100.0	100.0
Salespersons and cashiers	17.9	22.4
Other sales and service	13.1	11.5
Clerical occupations	11.7	13.4
Food and beverage service	9.9	8.5
Childcare and home support	6.1	3.3
Paralegals, social services workers and occupations in education and religion	5.7	3.2
Cleaners	4.5	2.0
Secretaries	2.4	2.1
Chefs and cooks	2.3	1.7
Travel and accommodation (including casino occupations)	1.9	1.6

Source: Statistics Canada, Census of Population, 2001

Table A6 Hourly earnings of employees

Aboriginal employees earned less on average than their non-Aboriginal counterparts (\$14.20 versus \$15.50 per hour).

These average hourly earnings mask important distributional differences. For example, 1 in 4 Aboriginal employees earned less than \$10 per hour, compared with only 1 in 6 non-Aboriginal employees.

	Aboriginal			Non-Aboriginal		
	Both sexes	Men	Women	Both sexes	Men	Women
Overall	14.20	14.80	13.60	15.50	16.10	14.80
	\$			%		
\$0.01 to \$9.99	24.8	20.7	28.6			
\$10.00 to \$15.99	32.8	30.6	34.8			
\$16.00 to \$19.99	13.8	13.6	14.0			
\$20.00 and over	28.6	35.1	22.6	40.0	48.8	30.8

Source: Statistics Canada, Labour Force Survey, 2005

Only 29% of Aboriginal employees earned \$20 or more per hour, compared with 40% of non-Aboriginal employees.

Table A7 Labour market rates by province, age and sex

	Participation rate			Employment rate			Unemployment rate		
	Aboriginal		Other	Aboriginal		Other	Aboriginal		Other
	Off-reserve	On-reserve		Off-reserve	On-reserve		Off-reserve	On-reserve	
Province or territory					%				
Canada	64.1	51.4	66.1	54.2	37.7	61.8	15.4	26.6	6.5
Newfoundland and Labrador	58.2	F	56.4	40.0	44.0	45.2	31.3	42.6	19.8
Prince Edward Island	63.5	F	68.3	49.3	45.3	60.0	22.3	F	12.1
Nova Scotia	64.4	51.9	60.9	54.1	37.0	55.1	16.0	28.6	9.7
New Brunswick	64.6	53.7	62.5	50.2	33.0	55.4	22.2	38.5	11.3
Quebec	60.0	52.9	63.8	50.9	40.8	59.0	15.1	23.0	7.6
Ontario	65.4	57.3	66.9	57.6	45.2	63.3	11.9	21.1	5.4
Manitoba	64.4	46.0	68.1	55.2	32.3	65.2	14.2	29.7	4.2
Saskatchewan	59.3	42.8	68.9	48.9	29.2	66.0	17.5	31.8	4.2
Alberta	68.6	45.5	73.1	60.6	33.5	70.0	11.6	26.4	4.3
British Columbia	63.5	57.6	64.9	51.4	41.6	60.1	19.1	27.7	7.4
Yukon	71.1	68.8	81.2	54.4	48.4	75.3	23.4	29.7	7.3
Northwest Territories	69.3	62.6	87.2	59.7	50.7	84.3	13.8	19.0	3.5
Nunavut	61.1	...	93.2	47.6	...	90.6	22.1	...	2.8
Sex									
Men	70.4	55.8	72.4	58.5	38.0	67.6	16.9	31.8	6.7
Women	58.6	47.0	60.1	50.5	37.4	56.4	13.8	20.4	6.3
Age									
Both sexes									
15 to 24	54.6	31.8	63.6	43.2	19.5	56.8	20.9	38.6	10.7
25 to 54	75.5	67.3	85.1	65.0	50.7	80.3	13.9	24.7	5.7
Men									
15 to 24	58.1	34.6	64.4	45.2	19.9	56.9	22.2	42.5	11.6
25 to 54	83.1	72.4	90.9	70.3	50.5	85.7	15.4	30.3	5.7
Women									
15 to 24	51.4	28.8	62.8	41.3	19.1	56.6	19.6	33.7	9.9
25 to 54	69.0	62.2	79.5	60.5	50.9	75.0	12.4	18.2	5.6

Source: Statistics Canada, Census of Population, 2001

In 2001, Aboriginal people made up about 2.7% of Canada's population and about 2.5% of the labour force.

Aboriginal participation and employment rates (60.6% and 49.7% respectively) fell short of the non-Aboriginal rates (66.1% and 61.8%), and their unemployment rate was much higher (18.0% versus 6.5%).

In Manitoba and Saskatchewan, the provinces with the highest percentages of Aboriginal people, Aboriginal unemployment rates were 18.2% and 21.6% respectively. These were over four times the non-Aboriginal rates.

Aboriginal unemployment rates were high in the Atlantic provinces (where the proportion of Aboriginal people is lower), ranging from 20.4% in Nova Scotia to 31.9% in Newfoundland and Labrador.

Despite the greater likelihood of Aboriginal people being unemployed in Atlantic Canada, their labour force participation was on a par with non-Aboriginals, and in some cases higher.

In contrast, some provinces and territories such as Saskatchewan and Nunavut had a high level of Aboriginal unemployment, as well as a low labour force participation.

Aboriginal men had the highest unemployment rate in 2001, at 20.6%. This was higher than the rate for Aboriginal women (15.3%) and three times the rate of non-Aboriginal men (6.7%).

Aboriginal women, while faring better than Aboriginal men, still faced an unemployment rate more than twice that of non-Aboriginal women (6.3%).

Young Aboriginal men (15 to 24) had a particularly difficult time finding work; their unemployment rate was 26.3% in 2001. Although youth traditionally have higher unemployment rates than the core working-age population, this rate was more than twice that of young non-Aboriginal men.

Young Aboriginal women also faced higher unemployment than their non-Aboriginal counterparts—22.2% versus 9.9%.

The employment rate was only 37.7% among the on-reserve Aboriginal population—almost the same as in the 1996 Census. More than one-quarter of the Aboriginal population 15 and over lived on reserves in 2001, and this is expected to grow to 40% by 2017 (Statistics Canada 2005).

Although population growth was strong among working-age Aboriginal people, both on- and off-reserve, employment increased more rapidly among those living off-reserve. Those on-reserve may be disadvantaged in terms of employment prospects, given remote locations and limited access to education, training, job market information, and child care (EKOS 2004). Indeed, more than half had not completed high school in 2001, compared with 44% living off-reserve and 31% of non-Aboriginals.

Aboriginals living on-reserve experienced higher unemployment—about 1 in 4 of those in the labour force in 2001. The rate for Aboriginal people living off-reserve was much lower at 15.4%, but still more than twice the non-Aboriginal rate (6.5%).

Perspectives

■ Notes

1 In 2001, Aboriginal people living off-reserve in Western Canada accounted for 43% of the total Aboriginal population in Canada and 70% of the Aboriginal population in the West.

2 In 2005, Aboriginal people made up 8% of the labour force in Manitoba, 7% in Saskatchewan, and about 3% in Alberta and in British Columbia.

3 Alberta is in the midst of the strongest period of economic growth ever recorded by any province in Canada's history. Its total GDP rose 43% between 2002 and 2005 and showed no signs of slowing down in 2006. Most of this increase reflects the soaring price of oil and gas exports, which have led to expanded business investment in pipelines as well as non-residential (office buildings, petrochemical plants) and residential construction (Cross and Bowlby 2006).

4 In absolute terms, the off-reserve Aboriginal population with a university degree in Western Canada grew from 14,000 to 22,000.

5 For the 25-to-54 core working-age group, the employment rate of university-educated Aboriginal workers still surpassed that of their non-Aboriginal counterparts, although the difference was considerably smaller (89% versus 86%).

6 Full-time students looking for full-time work were removed from the unemployed category. The census and the LFS treat students in the labour force differently. The census removes only high school students from the unemployment

category, whereas the LFS removes both full-time high school and university students looking for work.

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